

**NATIONAL DAIRY MARKET AT A GLANCE**

**CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (05/11):**  
**BUTTER:** Grade AA closed at \$1.8500. The weekly average for Grade AA is \$1.8542 (+.0259).

**CHEESE:** Barrels closed at \$1.5600 and blocks at \$1.6025. The weekly average for barrels is \$1.5565 (+.0100) and blocks, \$1.5945 (+.0290).

**NONFAT DRY MILK:** Extra Grade closed at \$1.0300 and Grade A closed at \$1.0400. The weekly average for Extra Grade is \$1.0300 (N.C.) and Grade A, \$1.0400 (N.C.).

**BUTTER:** Butter markets remain firm. Producers and handlers report that churning schedules are seasonally fair. Cream demand for products other than butter remains strong, thus often, butter operations were churning less than desired volumes. Some butter operations are finding that it is financially advantageous to sell the cream versus churning. Overall cream pricing was lower during the week, although pricing multiples remained higher than many butter producers desired to pay. Stocks of bulk and print butter are reported to be lighter than last year at this time. Domestic producers and handlers state that they are being offered imported butter to supplement inventories. This butter is coming into the United States within and above quota levels. Retail butter demand is fair at best. Most orders are being placed for short term or immediate needs. Food service orders are improving, especially as seasonal food service outlets prepare for the unofficial start of the summer vacation season in a few weeks.

**CHEESE:** The cheese market is firm. Current cheese supplies are seasonally tight and held with confidence. Some traders are running into difficulties with truckers busy hauling seasonal crops from the West as well as higher fuel surcharges. Traders continue to be concerned about product availability in late summer and fall. Cheddar and American production has been lagging due to the shifting of some production to non-traditional make mozzarella. Cheese plant schedules are increasing somewhat as schools start to close for the summer. Overall milk volumes continue to lag year ago levels at most plants. Cheese yields are declining seasonally as fat and protein levels slip in incoming milk receipts.

**FLUID MILK:** Milk production ranges from steady to lower across the lower tier of states and California, while steady to slightly higher in the northern portions of the country. Fluid milk, particularly surplus volumes, is tight for this time of year in the Northeast and Upper Midwest; moderate to heavy in most other regions. However, the heat wave in California and Arizona is taking its toll on the cows and milk output. Also, California plants are experiencing rolling black outs which cut into their processing time.

Bottled milk sales are reported as slow to fair. The fluid cream market is not a firm as it has been. Supplies are long and demand is mixed. Quite a bit more cream moved to Class IV channels this week, particularly from Eastern suppliers. California cream continues to move east as ice cream makers find this source of cream attractive pricewise.

**DRY PRODUCTS:** The NDM market is basically steady. Production range from steady to slightly higher and producer stocks are reported as tight in the East to ample in the West where offerings to CCC continue. The dry buttermilk market is firming and prices are steady to higher. Production is easing and demand is improving. Few producers have powder on hand for spot sale and immediate shipment. The dry whey market is firm and prices are increasing in all regions. Production is lighter than desired and few producers have extra product to sell. Most of their output is going to fill contracts. Domestic demand for dry whey is holding at good levels, but export interest is easing as U.S. prices are becoming less competitive with other world producers. The lactose and WPC markets are steady. However, there is some weakness on the animal feed side of the WPC market.

**CCC:** During the week of May 7 - 11, CCC net purchases totaled 7,101,046 pounds of nonfortified NDM from the Midwest and West.

**MARCH DAIRY PRODUCTS HIGHLIGHTS (NASS):** Butter production was 101.8 million in March, 15.9% below March 2000 and 7.6% below February 2001. American type cheese production totaled 299.7 million pounds, 4.6% below last March but 9.1% above a month ago. Total cheese output (excluding cottage cheese) was 714.0 million pounds, 0.1% below March 2000 but 13.0% above February. Production of human food, nonfat dry milk totaled 136.2 million pounds, 2.3% below March 2000 but 2.8% above February 2001. Dry whey production, for human food, was 94.2 million pounds, 2.3% below a year ago but 10.9% above last month.

**MILKFAT PRICE SURVEY (NASS):** This week marks the first published report for milkfat prices by the U.S. Department of Agriculture's National Agricultural Statistics Service (NASS). Price reports for NDM, cheese, butter, and dry whey have been published for about two years. NASS will publish a *Milkfat Prices* report every two weeks beginning May 11. The report will be released every other Friday at 8:30 a.m., Eastern. The *Milkfat Prices* report will contain weekly volumes and average prices for Class II and a combined Class II, III, and IV utilizations. This new report may be found at the following website  
<http://usda.mannlib.cornell.edu/reports/nassr/price/milkfat/>  
 (Also, see the bottom of page 2 in this report.)

**\*\*\*\*SPECIALS THIS ISSUE\*\*\*\***

BUTTER AND CLASS III & IV MILK FUTURES (PAGE 7)  
 INTERNATIONAL DAIRY MARKET NEWS (PAGE 8)  
 APRIL FEDERAL MILK ORDER CLASS AND COMPONENT PRICES (PAGE 9)  
 MARCH DAIRY PRODUCTS (PAGE 10)  
 ANNOUNCED COOPERATIVE CLASS I PRICES (PAGE 11)

**CHICAGO MERCANTILE EXCHANGE  
CASH TRADING**

CHEESE: carload = 40,000-44,000 lbs., BUTTER: carlot = 40,000-43,000 lbs.

PRODUCT	MONDAY MAY 7	TUESDAY MAY 8	WEDNESDAY MAY 9	THURSDAY MAY 10	FRIDAY MAY 11	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.5550 (-.0050)	\$1.5575 (+.0025)	\$1.5500 (-.0075)	\$1.5600 (+.0100)	\$1.5600 (N.C.)	N.C.	\$1.5565 (+.0100)
40# BLOCKS	\$1.5850 (+.0050)	\$1.5850 (N.C.)	\$1.6000 (+.0150)	\$1.6000 (N.C.)	\$1.6025 (+.0025)	+.0225	\$1.5945 (+.0290)
BUTTER GRADE AA	\$1.8500 (+.0500)	-----	\$1.8625 (+.0125)	-----	\$1.8500 (-.0125)	+.0500	\$1.8542 (+.0259)

\*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at [WWW.AMS.USDA.GOV/MARKETNEWS.HTM](http://WWW.AMS.USDA.GOV/MARKETNEWS.HTM) (NOTE: The NDM daily/weekly prices are reported here when changes occur. The Extra Grade price is \$1.0300 and Grade A price is \$1.0400. NDM information remains available at the above internet address.)

## CHICAGO MERCANTILE EXCHANGE

MONDAY, MAY 7, 2001

CHEESE — SALES: 2 CARS 40# BLOCKS: 1 @ \$1.5825, 1 @ \$1.5850; BIDS UNFILLED: 1 CAR BARRELS @ \$1.5400; 2 CARS 40# BLOCKS: 1 @ \$1.5825, 1 @ \$1.5800; OFFERS UNCOVERED: 2 CARS BARRELS: 1 @ \$1.5550, 1 @ \$1.5650

BUTTER — SALES: NONE; BIDS UNFILLED: 12 CARS: 1 @ \$1.8500, 2 @ \$1.8400, 1 @ \$1.8250, 2 @ \$1.8150, 1 @ \$1.8075, 2 @ \$1.8025, 3 @ \$1.8000; OFFERS UNCOVERED: NONE

TUESDAY, MAY 8, 2001

CHEESE — SALES: 1 CAR BARRELS @ \$1.5575; 2 CARS 40# BLOCKS @ \$1.5850; BIDS UNFILLED: 2 CARS BARRELS: 1 @ \$1.5550, 1 @ \$1.5500; 1 CAR 40# BLOCKS @ \$1.5850; OFFERS UNCOVERED: 2 CARS BARRELS: 1 @ \$1.5600, 1 @ \$1.5700

WEDNESDAY, MAY 9, 2001

CHEESE — SALES: 3 CARS BARRELS: 2 @ \$1.5525, 1 @ \$1.5500; 3 CARS 40# BLOCKS: 2 @ \$1.5875, 1 @ \$1.6000; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.6000; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.5700

BUTTER — SALES: NONE; BIDS UNFILLED: 3 CARS: 1 @ \$1.8625, 1 @ \$1.8575, 1 @ \$1.7600; OFFERS UNCOVERED: NONE

THURSDAY, MAY 10, 2001

CHEESE — SALES: 1 CAR BARRELS @ \$1.5600; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.6000; OFFERS UNCOVERED: NONE

FRIDAY, MAY 11, 2001

CHEESE — SALES: NONE; BIDS UNFILLED: 1 CAR BARRELS @ \$1.5500; 3 CARS 40# BLOCKS: 1 @ \$1.6025, 2 @ \$1.6000; OFFERS UNCOVERED: NONE  
BUTTER — SALES: 10 CARS: 1 @ \$1.8625, 1 @ \$1.8575, 1 @ \$1.8525, 1 @ \$1.8475, 1 @ \$1.8425, 3 @ \$1.8500, 1 @ \$1.8450, 1 @ \$1.8500; BIDS UNFILLED: 3 CARS: 1 @ \$1.8400, 1 @ \$1.8375, 1 @ \$1.5000; OFFERS UNCOVERED: 1 CAR @ \$1.8500

Dairy Market News will report CME nonfat dry milk activity only on the sessions when trading occurs.

## BUTTER MARKETS

## MARCH BUTTER PRODUCTION

During March 2001, butter production in the United States totaled 101.8 million pounds, 15.9% less than March 2000 and 7.6% lower than February 2001. The following are percentage changes from March 2000 for various states: CA -13.5%, NY +15.2%, PA -13.2%, and WI +4.0%.

## NORTHEAST

The market tone is firm, but the price at the CME has “bounced” up and down during the past several trading session. The AA price fell more than twenty-two cents in the three sessions between April 27 and May 2. Since then, the AA price has rebounded more than six cents. Contacts still seem unsure about where this market will level off. Competition from imported butter, both here and on the water, is still a factor in this market. Production levels are moderate, but utilization of cream in Class II or III products is increasing seasonally. Eastern butter makers are making what they can, but Eastern cream continues to clear to Midwestern churning facilities. Demand for bulk and print butter is fair to good, but at current retail prices, butter consumption is expected to slow. Some producers are not making spot sales to new accounts, preferring to maintain and supply longtime customers and hold any extra product with confidence. Sales of bulk butter, f.o.b. East, are reported in a range of 3.5 – 8.0 cents over the CME price/average.

## CENTRAL

The market tone remains unsettled. The cash price decline of over 20 cents within the past two weeks has turned around and regained about 7.5 cents through mid-week. Much of this cash price adjustment is being attributed to imported butter becoming available to domestic buyers. Although imported butter can not reach

retail shelves, domestic buyers are taking advantage of the supply to supplement their industrial usage accounts. Churning schedules in the Midwestern part of the country are seasonally fair. Cream availability varies locally and from outside sources. Ice cream and other cream based dairy products, along with butter producers, are actively competing for available cream offerings. Overall butter demand is fair at best. Producers and handlers anticipate that the increasing cash price will probably push retail pricing to levels of consumer resistance. Food service orders are improved as seasonal food service outlets prepare for the start of the summer vacation season. When available, bulk butter for spot sale is selling in a price range of 3 – 5 cents per pound over various pricing bases. Most producers and handlers continue to hold stocks with confidence.

## WEST

Contacts continue to discuss butter availability for fall needs and how much butter may be coming into the country from overseas. Retail demand is no better than fair for this time of year. Food service orders for the summer vacation season are starting to pick up. Cream demand from ice cream makers in and outside of California is very good. With current price relationships between California and surrounding states, there is an incentive to sell cream. Ice cream plants in California are attempting to stockpile ice cream for future needs when raw product costs are likely to be higher. The West is generally warming up more rapidly. CME weekly butter stocks increased 2.9 million pounds last week, the largest weekly increase since February. Butter production in March in the Western region of the US was down 16.8% from a year earlier. Current prices for bulk butter nominally range from 4 cents under to flat market based on the CME with various time frames and averages involved.

NASS DAIRY PRODUCT PRICES  
U.S. AVERAGE AND TOTAL POUNDS

WEEK ENDING	CHEESE		NDM	BUTTER	DRY WHEY	MILKFAT	
	40# BLOCKS	BARRELS 38% MOISTURE				CLASS II	ALL CLASSES
MAY 5	1.4132 6,255,781	1.4248 8,658,040	1.0166 21,451,776	1.8475 2,943,865	0.2542 12,491,834	2.4035 2,641,372	2.4321 5,152,866

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

## CHEESE MARKETS

## NORTHEAST

Prices for cheddar, process, and Muenster increased more than seven cents. The market tone remains firm as contacts wonder how high prices will get before leveling off or decreasing. This price run-up (26+ cents for blocks since March 9) is quite unusual for this time of year. The CME weekly average for barrels and blocks has increased for eight consecutive weeks. Cheese production in the East is about steady, but most producers would like more milk to process. Cheese stocks are more than adequate to meet current needs, but future supplies are in question and one reason why traders are pushing prices higher. Some seasonal food stands/restaurants are starting to order cheese for anticipated needs. The unofficial beginning of summer is less than three weeks away. Retail sales of cheese are steady at best. Increasing prices at retail are not helping consumption.

WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.6100-2.0800
Cheddar Single Daisies	:	1.5675-2.0275
Cheddar 40# Block	:	1.7050-1.8875
Process 5# Loaf	:	1.7575-1.9175
Process 5# Sliced	:	1.7775-2.0325
Muenster	:	1.7700-1.9775
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

## MIDWEST

The cheese market is steady. Accumulated increases in cash cheese prices at the Chicago Mercantile Exchange may be starting to impact sales. Cash prices are seasonally high, especially at the start of the traditional May - June peak cheese production period. Current cheese offerings seem to be slightly more available for American varieties and mozzarella, at least non-traditional make. For sellers with monthly price protection policies, some are seeing slower movement. Process demand is steady to slower, depending on customer base. Higher butter/cream prices are also impacting cream cheese interest. Milk production is not yet showing an appreciable seasonal increase in the upper tier of Midwestern states. Cheese yields continue to decline seasonally, reflecting declines in fat and protein levels in incoming milk.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.6800-1.8200
Brick And/Or Muenster 5#	:	1.7500-2.1600
Cheddar 40# Block	:	1.7500-2.1150
Monterey Jack 10#	:	1.9800-2.1875
Blue 5#	:	2.3050-2.3800
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.7600-2.2150
Grade A Swiss Cuts 6 - 9#	:	2.1450-2.6850

## MIDWEST COMMODITY CHEDDAR

Dollars per pound, standard moisture basis (37.8-39.0%),  
carlot/trucklot, F.O.B. plants or storage centers.

CHEDDAR STYLES	:	MAY 7 - 11, 2001
BARRELS*	:	\$1.5575 - 1.6425 NOMINAL
	:	(\$ .0725) (.0725)
40# BLOCKS	:	\$1.5650 - 1.6375 NOMINAL
	:	(\$ .0750) (.0750)

( ) Change from previous week. \* If steel, barrel returned.

## WEST

Western cheese prices continue to firm following the weekly average at the CME. Manufacturers are generally stating that their current production is not enough to meet the current needs of many of their buyers. The buyers indicate that they need the product for current end product interest and not for future needs. Many manufacturing plants indicate that they are not getting as much milk as planned. A new round of power blackouts is possible again in California as temperatures set early season records. Many plants and milk producers have taken steps to install back up generation so that shut downs will have less direct impact. American cheese production for March was 299.7 million pounds for the US, down 4.6% from last year. Swiss cheese output reached 20.6 million pounds, up 5.8% from the previous year. American cheese output in March compared to last year is as follows: California +16.4%, Idaho -3.9%, Oregon +4.2%, and Utah -15.8%. The Western region was up 3.4% overall.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND  
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.6975-1.9575
Cheddar 40# Block	:	1.6875-1.8500
Cheddar 10# Cuts	:	1.8675-2.0875
Monterey Jack 10#	:	1.8775-2.0375
Grade A Swiss Cuts 6 - 9#	:	2.3500-2.5100

## FOREIGN

Prices of domestically made cheese are up sharply and this is the eighth consecutive week that domestic cheese prices have increased. The market tone is seasonal and demand is generally fair. Reports indicate that USDA, APHIS officials informed the EU of plans to delay publication of rules regarding new restrictions on imports of dairy products. USDA had planned to publish interim rule regulations, but noting that the situation in Europe, with regard to FMD, was stabilizing, U.S. officials reportedly notified the EU that a reassessment of U.S. policy was in order.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK  
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

NEW YORK		
VARIETY	IMPORTED	DOMESTIC
Roquefort	TFEWR	-0-
Blue	2.6400-3.1400	1.9125-3.4075*
Gorgonzola	3.2400-5.9400	2.4600-2.4900*
Parmesan (Italy)	TFEWR	3.3275-3.3525*
Romano (Italy)	2.1000-2.9900	-0-
Provolone (Italy)	3.4400-5.5000	1.9200-2.1400*
Romano (Cows Milk)	-0-	3.1025-5.2825*
Sardo Romano (Argentina)	2.6500-3.2900	-0-
Reggianito (Argentina)	2.6500-3.2900	-0-
Jarlsberg-(Brand)	2.7400-3.5900	-0-
Swiss Cuts Switzerland	-0-	2.3500-2.5500
Swiss Cuts Finnish	2.5900-2.8500	-0-
Swiss Cuts Austrian	2.2500-2.7500	-0-
Edam	:	:
2 Pound	TFEWR	-0-
4 Pound	2.1900-3.0900	-0-
Gouda, Large	2.3900-2.6800	-0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	27.8000-31.7000	-0-

\* = Price change.

WEEKLY COLD STORAGE HOLDINGS - SELECTED STORAGE CENTERS  
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER	CHEESE
05/07/01	27,481	123,091
05/01/01	25,175	122,899
CHANGE	2,306	192
% CHANGE	9	0

## FLUID MILK AND CREAM

E A S T

Spot shipments of Grade A milk into or out of Florida and other Southeastern states

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	176	0	125	0	130
SOUTHEAST STATES	0	0	0	0	0	0

The following are the April 2001 Class I and component prices under the Federal Milk Order pricing system: Class II \$15.10 (up \$.93 from March), Class III \$12.06 (up \$0.64); and Class IV \$14.41 (up \$.95). Product price averages used in computing Class prices are: butter \$1.7126, NDM \$1.0145, cheese \$1.3423, and dry whey \$.2446. The Class II butterfat price is \$1.9553 and the Class III/IV butterfat price is \$1.9483. Milk production is about steady in the Far North and Deep South and increasing seasonally in the Middle Atlantic area and the Carolinas. Warmer weather is coming to the Northeast, but conditions are quite dry and pasture growth isn't progressing as quickly as desired. Due to last year's poor hay crop/quality in much of New York and New England, producers would like to see pastures and grass come on to help ease the need for hay. In Florida, it remains dry, but there has been no hot weather to speak of, which is great for cow comfort. Typically, Florida gets very hot and humid in May and the milk flow drops sharply. Currently, milk output is steady and handlers' volumes are excessive. The number of loads shipped out of state for processing is unseasonably high and Southeastern manufacturing plants continue to operate well above anticipated levels. Milk production in other Gulf Coast states is "easing" lower from the peak. Bottled milk sales throughout the region are slow to fair at best, which tends to push more surplus milk to manufacturing plants. This week, some Northeastern plant contacts reported receiving a little more milk. The condensed skim market isn't quite as firm, but prices are unchanged. More producers have extra loads to clear and some are thinking of drying more rather than "take a hit" on selling condensed on the spot market. The fluid cream market is not as firm as it has been. Spot demand is slower from Class II users. Despite the lower weekly average butter price at the CME, Class II users are balking at current per pound butterfat costs. Demand from Class IV users is improving, but multiples are often lower. At least this week, the Class IV market has turned into a buyers market. Some suppliers report that a large majority of current spot sales are to cream cheese and/or butter plants. Eastern cream is being shipped to Midwest butter plants. Ice cream production is seasonal, but the high cost of butterfat is deterring spot cream purchases. The recent hot weather did provide a boost to soft serve mix sales. Churning activity is moderate to heavy as local butter makers are taking as much excess cream as they can use.

## FLUID CREAM AND CONDENSED SKIM PRICES IN TANK LOT QUANTITIES

## SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST -	2.3402-2.4865
DELIVERED EQUIVALENT ATLANTA	2.3219-2.5231 M 2.3402-2.3768
F.O.B. PRODUCING PLANTS: UPPER MIDWEST -	2.3768-2.4134

### PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS

## F.O.B. PRODUCING PLANTS:

NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES - 1.0900-1.1500  
NORTHEAST- CLASS III - SPOT PRICES - .8500-.9600

## MIDWEST

Milk production in the Central part of the country continues to increase seasonally. Although milk output is increasing, many producers and handlers report that overall milk volumes are lighter than last year at this time. Due to lower than desired milk volumes, many milk handlers are looking for additional volumes, especially for manufacturing needs. This week, many of these additional needs were not filled with very little surplus milk available. Premiums for manufacturing milk, though limited in volume, were reported in a range of \$1.75–2.25 over class delivered. Class I demand is mixed as schools start to close for the summer. Bottlers anticipate irregular bottling schedules

for the next 4–6 weeks as this transition occurs. Condensed skim demand remains good at prices ranging \$1.12–1.13 per pound wet solids. Cream prices are lower, although in many instances, multiples are higher. Lower cream prices are being attributed to the lower CME cash butter average for last week. Although cream prices are lower and most churns could handle additional cream volumes, many butter producers are unwilling to take advantage of cream offerings due to price. Ice cream producers continue to absorb a large percentage of available cream at this time.

## WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	MAY 03 - 09	PREVIOUS YEAR
SLAUGHTER COWS	\$44.00-49.00	\$38.00-45.00
REPLACEMENT HEIFER CALVES	\$350.00-480.00	\$290.00-360.00

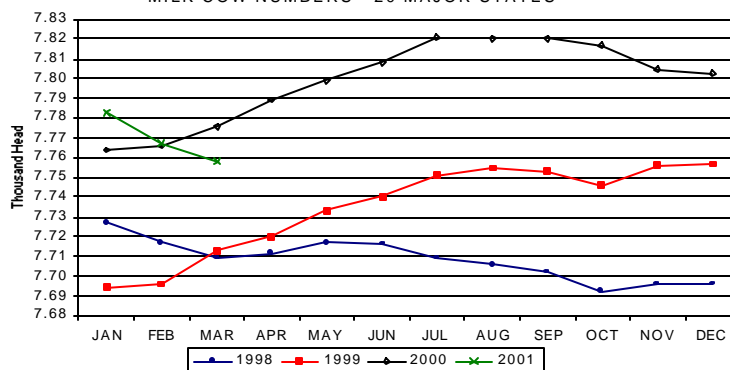
## SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	MAY 03 - 09	PREVIOUS YEAR
SLAUGHTER COWS	\$44.00-55.00	\$37.00-48.00

## WEST

Unseasonably high temperatures in California are causing milk production to drop. The declines at midweek were not severe, but were starting to fall in volume and solid's content. The heat wave created an increased demand for power and rolling blackouts again were in the news. There were some processing plants that were idled because of the loss of power. Reports are that many processing plants in the state are putting backup generators in place to preclude problems later in the summer. These blackouts are causing earlier problems than anticipated. The higher gasoline and diesel prices are leading to additional fuel surcharges for transportation of milk, components, and finished dairy products. Higher temperatures are beginning to cause milk production declines in Arizona. The impacts are slight so far, but are not as severe as had been expected. There are more heat abatement measures in place. Cream demand is good, especially from ice cream manufacturers. Along with the seasonal increases, the cream price is more favorable in California than from federal orders for ice cream producers. Western cream multiples range from 113 to 128 FOB. Milk production remains strong in the Pacific Northwest. Weather conditions are close to ideal for continued strong output. Conditions are warmer and dry. Much of the corn is now going in the ground. Water remains a concern. Hay cutting is expected to start later this week or early next week in the Columbia Basin. The hay quality looks good in the field. Cutting is starting about two weeks later than normal. Carry over hay stocks are extremely light. Hay tonnage expected from this year's harvest is not expected to add much to the carry out into next year. Heifer prices continue to increase on very strong demand. A major monthly Washington heifer sale reported heavier than normal offerings, very heavy buyer interest, and prices generally \$50-100 higher with some sales noted up \$250. A number of sales are topping \$2000 now. Weather conditions are good in Idaho and Utah. Nights remain cool, but days are warming nicely. Water supplies are short. Some ground that normally would be worked by now is sitting idle. Milk supplies remain on the short side. Many operations would take some extra milk, but it is generally not available. Hay growth is behind normal in the region.

MILK COW NUMBERS - 20 MAJOR STATES



**CENTRAL AND WEST DRY MILK PRODUCTS**

All reports, except California manufacturing plants, were released 05/10/01 and represent FOB Central and Western production areas. Prices represent CL/TL quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

**NONFAT DRY MILK - CENTRAL**

Prices are unchanged to lower on a mostly steady market. Offerings to the CCC are once again being reported. With regional tight milk supplies, the offerings are perplexing to some traders. While milk production is showing some seasonal increases, volumes are less than anticipated, encouraging plants to operate at less than capacity. NDM production is steady to higher as some plants divert milk supplies in order to guarantee contracted commitments, especially on high heat. Low heat demand is good from ice cream and cheese operations with a few inquiries from brokers. Off grade supplies are reportedly available for the good export and domestic interest. Production of human food, nonfat dry milk during March 2001 totaled 136.2 million pounds, down 2.3% from March 2000 but 2.8% above February 2001. Month ending stocks, at 123.8 million pounds, are 34.9% below a year ago and 10.1% lower than February 2001.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK: 1.0025 - 1.0650 MOSTLY: 1.0250 - 1.0500

**DRY BUTTERMILK - CENTRAL**

Prices remain unchanged and nominal on a firm market. Trading is very limited with most movement occurring on a contractual basis or in the condensed form. Production is mostly steady. While some firms are not anticipating production of dry product until this fall, others are slowly increasing output in response to increases in butter churning activity. Condensed demand is strong with some offering prices near the average of the dry market. Dry buttermilk production during March 2001 totaled 4.7 million pounds, down 7.9% from March 2000 and 11.3% lower than February 2001. Month ending stocks, at 4.5 million pounds, are 32.0% below last year and 27.6% lower than last month.

BUTTERMILK: 1.0850 - 1.1300

**DRY WHEY - CENTRAL**

Prices are higher on a firm market. Production remains steady to higher in response to seasonal milk supply increases and higher cheese prices. However, supplies generally continue to be short of buyer interest. International demand is stated as the impetus of higher prices, yet traders are concerned that price increases may deter interest, especially as US prices supersede international prices. Resale trades are being reported at prices above the average. Some feed facilities running long on supplies are also reselling whey at premiums. Condensed and off grade supplies are tight. Production of human food, dry whey during March 2001 totaled 94.2 million pounds, 2.3% less than March 2000 but 10.9% above February 2001. Month ending stocks, at 34.3 million pounds, are 22.2% below a year ago and 2.2% less than February 2001.

NONHYGROSCOPIC: .2525 - .2675 MOSTLY: .2575 - .2625

**ANIMAL FEED WHEY - CENTRAL**

Prices are unchanged to higher and nominal on a generally firm market. Milk replacer supplies are difficult to find with some plants offering at the average of the Extra Grade market. Buyers are less responsive at the higher prices and are examining substitutes such as lactose and permeate. Roller ground movement is steady. Delactose supplies remain short of buyer interest with producers struggling to keep up with demand. Production of animal feed dry whey during March 2001 totaled 5.4 million pounds, 25.3% lower than a year ago but 2.0% more than February 2001. Month ending stocks, at 5.5 million pounds, are 7.0% above a year ago but 3.4% lower than last month.

MILK REPLACER: .2150 - .2475  
 ROLLER GROUND: .2425 - .2725  
 DELACTOSE (Min. 20% protein): .4150 - .4300

**LACTOSE - CENTRAL AND WEST**

Prices are unchanged on a firm market. Spot trading is very light and supplies are limited. Some 3rd and 4th quarter negotiations are occurring at higher prices. Demand for the lower mesh sizes is improving while higher mesh size movement, particularly 200 mesh, slows. Feed interest is good on Extra and off grade product. Because of limited supplies and higher prices, some feed buyers are looking to permeate as a more attractive substitute. Edible interest is strong into confectionary and infant formula operations. Lactose production during March 2001 totaled 47.1 million pounds, up 5.3% from March 2000 and 11.1% above February 2001. Month ending stocks, at 26.6 million pounds, are 2.6% higher than a year ago but 3.1% below last month. Production totals for selected regions with changes from 2000 include: East North Central, Too Few To Report; West North Central, 14.2 million pounds, -12.0%; West, 20.8 million pounds, +13.9%.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .1675 - .2150 MOSTLY: .1750 - .1875

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Prices are unchanged on a steady market. Production is steady to lower with some plants experiencing equipment problems. However, condensed WPC supplies are increasing with some feed facilities unable to take in additional loads. Dry WPC movement into veal operations is generally light. Some producers are opting to trade into food accounts when possible to divert potential problems with feed contract cancellations and finances. Food account movement is steady with continued new interest in Asia and the EU. Production of human food WPC during March 2001 totaled 24.2 million pounds, down 6.4% from March 2000 but 8.3% above February 2001. Manufacturers end-of-month stocks totaled 11.0 million pounds, 19.4% lower than a year ago but 22.8% above last month. Production totals for selected states with changes from 2000 include: California, 8.4 million pounds, +16.7%; Minnesota, 3.0 million pounds, -35.9%; and Wisconsin, 3.7 million pounds, -15.1%.

EXTRA GRADE 34% PROTEIN: .7900 - .8250 MOSTLY: .7900 - .8000

**NONFAT DRY MILK - WEST**

Nonfat dry milk prices are holding mostly steady for low/medium heat powder. The market tone is steady at weak to moderate levels. This market continues to be characterized by offerings under the support program to the CCC. There are people in the trade that expect these offerings to diminish this summer, while others think that is wishful thinking. Weekly offering volumes vary in recent months, but levels are still high. During March, approximately 50 million pounds of NDM were offered to the CCC, 37% of the production reported in the United States. The uncertainty of a possible change in the butter/powder tilt is also a reason for producers to keep stocks light. Production levels remain variable across the region. High cheese prices are providing strong demand for milk and the high gas and electricity rates are causing processors problems. Energy surcharges are being put on more invoices. The run up in gas/diesel prices is leading to additional shipping surcharges. High heat prices are mixed in light trading. There is occasional higher seasonal interest noted. Capacity is generally not taxed at NDM plants and there is time for high heat production. U.S. NDM production in March totaled 136.2 million pounds, down 2.3% from last year but 2.8% higher than February. March production in California totaled 58.6 million pounds, down 1.2% from last year and the West region totaled 106.7 million pounds, up 12.9% from last year. U.S. stocks at the end of March were reported at 123.8 million pounds, down 34.9% from last year and 10.1% from last month.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: .9950 - 1.0300 MOSTLY: 1.0050 - 1.0200  
 HIGH HEAT: 1.0400 - 1.0700

**DRY BUTTERMILK - WEST**

Dry buttermilk prices continue to trend slightly higher in generally light spot trading. Less butter churning and the sale of condensed buttermilk are generally limiting production levels. Seasonal demand for dry buttermilk is often higher and offerings are not available from all suppliers. Contacts are noting that offering prices are being put higher, but the higher priced product is hard to "turn around" at this point. U.S. dry buttermilk production in March totaled 4.7 million pounds, down 7.9% from last year and 11.3% lower than February. Stocks at the end of March were reported at 4.5 million pounds, down 32.0% from a year earlier and 27.6% below February.

BUTTERMILK: .9800 - 1.0800 MOSTLY: 1.0200 - 1.0600

**DRY WHEY - WEST**

Western range and mostly prices for whey increased this week. A number of buyers are commenting that they are not able to find the loads of whey that they need and, if they do find any, prices are higher. Eastern and Central whey supplies are also very tight. Most suppliers are calling export sales about steady and the market is not aggressive. March US human food whey production stands at 94.2 million pounds, down 2.3% from a year ago. Western region output is 29.5 million pounds, up 0.8% from March 2000. US stocks at the end of the month total 34.3 million pounds, down 22.2% from a year earlier.

NONHYGROSCOPIC: .2250 - .2750 MOSTLY: .2550 - .2625

**CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK**

WEEK ENDING	PRICE	POUNDS
May 4	\$1.0091	13,481,755
April 27	\$1.0075	14,728,825

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

**NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS**

All reports represent carlot/trucklot quantities for domestic and export sales in 25 kg. or 50 lb. bags, and totes, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

**NONFAT DRY MILK - NORTHEAST AND SOUTHEAST**

Prices are unchanged to occasionally higher and nominal. Production levels are light, but in a few instances, condensed skim sales slowed and dryers were started. Drying in the Southeast is steady as surplus milk volumes are holding at near peak levels. Surplus milk volumes, in the Southeast, are seasonally heavy, but they are being handled within the region. The market tone is firm. Few Eastern producers have uncommitted NDM on hand to offer on the spot market. Spot needs are typically filled via the resale market. Production of human food, nonfat dry milk during March 2001 totaled 136.2 million pounds, down 2.3% from March 2000 but 2.8% above February 2001. Month ending stocks, at 123.8 million pounds, are 34.9% below a year ago and down 10.1% from a month ago.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:

LOW/MEDIUM HEAT: 1.0300 - 1.0850 MOSTLY: 1.0300 - 1.0600  
HIGH HEAT: 1.0575 - 1.1100 MOSTLY: 1.0600 - 1.1000

DELVD SOUTHEAST:

ALL HEATS: 1.0550 - 1.1500

**DRY BUTTERMILK - NORTHEAST AND SOUTHEAST**

The market tone remains firm. Prices are higher and nominal. More producers are moving prices higher due to the increasing price of butterfat, light production, and good demand for both condensed and dry buttermilk. Few spot sales are reported. Most Eastern producers have little on hand and continue to struggle to meet contract shipping schedules. Dry buttermilk production during March 2001 totaled 4.7 million pounds, down 7.9% from March 2000 and 11.3% less than February 2001. Month ending stocks, at 4.5 million pounds, are 32.0% less than last year and 27.6% less than a month ago.

F.O.B. NORTHEAST: 1.0300 - 1.0600  
DELVD SOUTHEAST: 1.0550 - 1.1550

**DRY WHOLE MILK - NATIONAL**

Prices are mixed. They are higher due to changes in the milk price, but lower because an operation has stopped making dry whole milk in favor of separating the milk and selling the cream. The market tone is unchanged. As one can see by the production figures below, relatively little dry whole milk is being made in the U.S. This may be a function of the high energy costs, better returns for the fat in the form of cream, or that users are finding substitutes. Reports indicate that production at some plants is just enough to fill DEIP contracts and when those are filled, output will cease. Dry whole milk production during March 2001 totaled 2.9 million pounds, down 74.1% from March 2000 and 35.8% below February 2001. Month ending stocks are not reported for this product.

F.O.B. PRODUCING PLANT: 1.3925 - 1.5000

**DEIP BID ACCEPTANCE SUMMARY**

JULY 1, 2000 THROUGH MAY 4, 2001  
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK -- 68,201 MT (150,355,925 LBS)  
This program-year allocation is filled.

CHEESE -- 3,030 MT (6,679,938 LBS)  
This program-year allocation is filled.

Allocations for the DEIP year beginning July 1, 2000: Nonfat dry milk - 68,201 MT;  
Cheese - 3,030 MT; Butterfat - 21,097 MT.

**DRY WHEY - NORTHEAST AND SOUTHEAST**

Prices are often higher and Eastern prices are still nominal. The market tone is firm. Production levels are about steady at lighter than desired levels. Eastern producers are, for the most part, sold out for the next four to six weeks. Those loads that are being offered are often from plants without desired approvals. Most producers also report a continued tightness of condensed or liquid whey. Spot demand is not always satisfied and most often filled via resale channels. Most Eastern producers have a good portion of their projected output sold under contracts and, with milk supplies being so tight, most are struggling to meet their contracts. Production of human food, dry whey during March 2001 totaled 94.2 million pounds, 2.3% less than March 2000 but 10.9% above February 2001. Month ending stocks, at 34.3 million pounds, are 22.2% below last year and 2.2% less than a month ago. Production of animal feed, dry whey during March totaled 5.4 million pounds, 25.3% less than a year ago but 2.0% above last month.

F.O.B. NORTHEAST: EXTRA GRADE .2625 - .2675  
USPH GRADE A .2675 - .2725  
DELVD SOUTHEAST: .2875 - .2975

**EVAPORATED MILK - NATIONAL**

Prices are unchanged, but producers continue to talk about increasing prices. Demand remains fair, but some buyers are trying to pick up some extra product before prices do increase. Production is about steady. Canned evaporated milk production during March 2001 totaled 33.8 million pounds, 9.7% less than March 2000 but 13.5% more than February 2001. Month ending stocks, at 53.5 million pounds, are 7.1% more than a year ago and 23.5% above last month.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$22.00 - 33.00  
Excluding promotional and other sales allowances. Included new price announcements.

**CASEIN - NATIONAL**

Casein markets remain firm at unchanged prices. Availability of both rennet and acid casein are in close balance to short. Many domestic users have depleted their inventories to minimal levels. Often current deliveries are not sufficient to meet full needs. Most buyers are receiving shipments to get by, with virtually no inventory buildup occurring at this time. Casein imports into the country from EU countries continue to be closely monitored by USDA and Customs Service officials.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 2.4500 - 2.6500  
ACID: 2.4500 - 2.6500

**CHICAGO MERCANTILE EXCHANGE FUTURES**  
Selected settling prices, (open interest), and volume 1/

Month	04/25	04/26	04/27	04/30	05/01	05/02	05/03	05/04	05/07	05/08
<b>CME - (CLASS III) MILK FUTURES -- Dollars per cwt.</b>										
APR 01	12.05 (1428) 3	12.03 (1431) 3	12.02 (1429) 4	12.04 (1429) 0	12.04 (1429) 1	12.02 (1428) 2	12.03 (1383) 0	12.06		
MAY 01	13.30 (1543) 30	13.43 (1592) 95	13.54 (1632) 62	14.10 (1637) 45	13.93 (1664) 92	13.75 (1738) 91	13.75 (1748) 32	13.71 (1768) 40	13.73 (1768) 17	13.71 (1766) 33
JUN 01	13.65 (1871) 73	13.70 (1909) 78	13.94 (1957) 64	14.12 (2014) 66	14.17 (2061) 88	14.18 (2089) 54	14.22 (2121) 50	14.24 (2140) 95	14.26 (2158) 82	14.29 (2179) 67
JUL 01	13.99 (2033) 47	13.96 (2082) 96	13.97 (2129) 92	14.15 (2183) 97	14.16 (2222) 86	14.16 (2260) 91	14.22 (2277) 79	14.26 (2299) 119	14.27 (2321) 82	14.28 (2357) 98
AUG 01	14.06 (2047) 39	14.00 (2072) 100	13.95 (2121) 98	14.10 (2170) 69	14.10 (2212) 112	14.11 (2238) 64	14.14 (2272) 76	14.23 (2302) 78	14.28 (2318) 83	14.29 (2344) 86
SEP 01	14.15 (1945) 48	14.06 (1981) 118	14.03 (2036) 98	14.16 (2091) 79	14.14 (2131) 125	14.13 (2175) 62	14.17 (2206) 63	14.23 (2229) 81	14.24 (2252) 79	14.35 (2275) 84
OCT 01	13.80 (1793) 51	13.67 (1825) 63	13.56 (1836) 90	13.51 (1863) 180	13.42 (1898) 83	13.43 (1914) 39	13.46 (1929) 24	13.50 (1949) 67	13.52 (1964) 57	13.55 (2002) 97
NOV 01	13.18 (1324) 11	13.09 (1334) 25	12.91 (1339) 48	12.80 (1349) 143	12.73 (1399) 137	12.75 (1415) 37	12.80 (1423) 18	12.83 (1442) 45	12.85 (1459) 57	12.90 (1489) 61
DEC 01	12.80 (1050) 12	12.69 (1053) 37	12.50 (1057) 14	12.38 (1066) 40	12.26 (1112) 88	12.26 (1132) 61	12.35 (1156) 33	12.40 (1180) 55	12.43 (1190) 44	12.43 (1220) 46
JAN 02	12.22 (238) 5	12.00 (242) 4	11.80 (252) 15	11.75 (255) 11	11.66 (250) 26	11.63 (256) 8	11.63 (267) 22	11.65 (274) 8	11.64 (275) 3	11.59 (278) 4
FEB 02	12.12 (163) 1	11.91 (166) 6	11.79 (176) 15	11.60 (177) 4	11.58 (185) 19	11.52 (192) 8	11.51 (193) 5	11.53 (200) 19	11.52 (189) 17	11.47 (190) 3
MAR 02	12.16 (83) 3	12.04 (86) 4	11.80 (91) 9	11.66 (91) 0	11.65 (98) 12	11.55 (106) 12	11.55 (112) 13	11.57 (119) 12	11.50 (120) 2	11.40 (121) 1
APR 02	12.00 (8) 0	12.00 (8) 0	11.80 (11) 4	11.63 (11) 0	11.60 (14) 7	11.55 (23) 9	11.55 (36) 20	11.55 (40) 10	11.55 (41) 1	11.40 (42) 1
MAY 02	12.00 (6) 0	12.00 (6) 0	12.00 (6) 0	12.00 (7) 1	11.80 (7) 0	11.79 (8) 1	11.79 (10) 4	11.79 (10) 0	11.79 (10) 1	11.75 (10) 0
JUN 02	12.25 (2) 0	12.25 (2) 0	12.25 (2) 0	12.25 (2) 0	12.25 (2) 0	12.24 (4) 2	12.20 (4) 0	12.19 (4) 0	12.19 (4) 0	12.18 (4) 0
JUL 02	12.75 (1) 0	12.75 (1) 0	12.75 (1) 0	12.75 (1) 0	12.75 (1) 0	12.73 (1) 0	12.70 (1) 0	12.70 (1) 0	12.70 (1) 0	12.70 (1) 0
AUG 02	12.95 (1) 0	12.95 (1) 0	12.95 (1) 0	12.95 (1) 0	12.95 (1) 0	12.94 (1) 0	12.90 (1) 0	12.89 (1) 0	12.89 (1) 0	12.88 (1) 0

**CME - CLASS IV MILK FUTURES - Dollars per cwt.**

APR 01	14.45 (237) 5	14.45 (237) 0	14.45 (237) 0	14.45 (237) 0	14.45 (237) 0	14.45 (237) 0	14.45 (202) 0	14.41		
MAY 01	15.85 (312) 5	15.50 (337) 25	15.10 (337) 4	14.95 (340) 7	14.94 (340) 0	14.70 (343) 6	14.69 (345) 11	14.79 (345) 2	14.80 (346) 10	14.90 (346) 0
JUN 01	15.65 (272) 9	15.50 (297) 25	15.10 (306) 10	15.06 (304) 6	14.95 (304) 9	14.50 (304) 1	14.78 (304) 0	14.78 (303) 3	15.00 (308) 5	15.00 (317) 9
JUL 01	15.75 (284) 9	15.50 (309) 25	15.10 (314) 12	15.00 (317) 6	15.00 (326) 9	14.70 (321) 7	14.75 (321) 0	14.86 (322) 1	15.00 (327) 6	15.25 (335) 12
AUG 01	16.00 (253) 6	15.50 (260) 9	15.40 (287) 37	14.86 (287) 0	14.91 (296) 13	14.50 (297) 2	14.71 (297) 0	14.81 (297) 1	15.10 (303) 6	15.25 (313) 11
SEP 01	15.85 (223) 6	15.50 (241) 20	15.40 (255) 26	14.84 (255) 0	14.89 (264) 13	14.60 (267) 6	14.81 (267) 0	14.91 (268) 1	15.10 (273) 5	15.11 (283) 11
OCT 01	14.95 (293) 0	14.95 (313) 20	14.95 (313) 8	14.70 (315) 2	14.70 (315) 0	14.50 (315) 1	14.71 (315) 0	14.81 (316) 1	14.95 (321) 5	14.95 (330) 11
NOV 01	14.80 (255) 9	14.75 (275) 20	14.75 (275) 0	14.45 (275) 0	14.45 (275) 0	14.00 (275) 5	14.01 (275) 0	14.11 (275) 0	14.11 (280) 5	14.11 (288) 11
DEC 01	14.15 (92) 0	14.15 (112) 20	14.10 (112) 5	13.75 (112) 1	13.75 (112) 0	13.75 (112) 0	13.75 (112) 0	13.85 (112) 0	13.85 (117) 5	13.85 (117) 3
JAN 02	13.20 (1) 0	13.20 (1) 0	13.20 (1) 0	13.20 (1) 0	13.20 (1) 0	13.20 (1) 0	13.20 (1) 0	13.20 (1) 0	13.20 (1) 0	13.20 (1) 0

**CME - BUTTER FUTURES -- Cents per pound**

MAY 01	203.25 (52) 6	202.50 (53) 1	198.50 (54) 1	193.50 (54) 0	191.00 (54) 1	186.00 (54) 0	186.00 (47) 15	185.00 (46) 1	186.00 (42) 2	189.00 (39) 0
JUL 01	215.00 (85) 7	210.00 (81) 7	205.00 (81) 4	200.00 (81) 0	197.90 (81) 1	192.90 (85) 9	189.00 (96) 21	191.00 (101) 8	191.50 (100) 9	193.75 (105) 5
SEP 01	212.00 (45) 5	208.00 (45) 0	208.00 (45) 0	203.00 (45) 0	201.00 (45) 0	196.00 (55) 16	195.00 (70) 19	194.00 (73) 3	195.50 (73) 0	196.50 (78) 5
OCT 01	186.50 (6) 0	186.50 (6) 0	186.50 (6) 0	186.50 (6) 0	186.50 (6) 0	183.00 (6) 0	185.00 (6) 0	185.00 (6) 1	190.00 (6) 0	190.00 (6) 0
DEC 01	165.00 (1) 0	165.00 (1) 0	165.00 (1) 0	165.00 (1) 0	165.00 (1) 0	162.00 (1) 0	164.00 (2) 1	169.00 (2) 0	169.00 (2) 0	169.00 (2) 0

1/ At the CME open interest for milk -- 200,000 pounds per contract. For more detailed information, you may call our automated voice system at 608-224-5088.

## INTERNATIONAL DAIRY MARKET NEWS

Information gathered April 30 - May 11, 2001

Prices are U.S. Dollars per MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

## WESTERN AND EASTERN EUROPE

**OVERVIEW: WESTERN EUROPE** The milk production season in Europe is underway, although most reports indicate that milk volumes are trailing the comparable time last season. Cool and wet conditions prevail in many areas of Europe which are two factors attributed to slower production growth. Due to these wet and cool conditions, pasturing is not occurring as early as in past years. Milk producers and handlers are concerned with this situation, especially looking at the calendar and realizing that in years past, some areas have already surpassed peak production levels. Although a later start usually balances out milk volume wise during the season, handlers feel that this may not be the situation this year. Due to the milk volume situation, handlers do not have an optimistic outlook for the current production season. The foot and mouth situation continues to impact international buyer interest. Many importing countries continue to impose restrictions for product produced in EU countries, even if the country has been classified as foot and mouth free. Some countries are enhancing existing restrictions or guidelines which is further limiting buyer interest from Western Europe. Stocks of manufactured dairy products in Europe are building, but at a slower pace than anticipated. Much of current production is clearing to internal or domestic markets with low volumes available for international sales.

**BUTTER/BUTTEROIL:** European butter markets are steady to firm. Milk production reports indicate that milk output is not as positive as past years at this time. Many producers and handlers are questioning milk availability sufficient to meet all manufactured dairy product needs during the current production season. International buyer interest continues to be cautious as most countries continue to impose import restrictions on EU generated dairy products. At this time, U.S. importers are looking to European sources for additional butter stocks to supplement lower than desired inventories and production. Some butter is being located in Eastern Europe although how much is available is unclear.

82% BUTTERFAT:	1,300 - 1,500
99% BUTTERFAT:	1,400 - 1,600

**SKIM MILK POWDER (SMP):** European skim milk powder markets are steady to firm. Although international buyer interest remains cautious of EU generated dairy products, skim milk powder prices are steady to slightly higher. Milk production continues to increase in most European countries, although reports indicate that output is trailing last season at this time. Lower than anticipated milk volumes are causing concern with many dairy product manufacturers. Although international buyer interest is slow, internal demand is keeping current production moving.

1.25% BUTTERFAT:	2,050 - 2,100
------------------	---------------

**WHOLE MILK POWDER (WMP):** Whole milk powder markets are generally steady at unchanged prices. Stocks of whole milk powder remain low, although milk production is starting to increase, thus is whole milk powder availability. At this time, international buyer interest is slow with most sales occurring for internal or domestic buyer needs. The foot and mouth disease situation in Europe continues to hinder sales, thus producers and handlers are unclear as to how this market will develop during the upcoming milk production season.

26% BUTTERFAT:	1,900 - 2,100
----------------	---------------

**SWEET WHEY POWDER:** Whey powder markets are generally steady at unchanged prices. Stocks of whey are starting to build as cheese production increases. The animal feed market is starting to gain momentum as cows freshen and calves become available. Up to this point, skim milk powder supplies were depleted and veal growers were looking toward the whey market, but now stocks of skim milk powder are becoming available, lowering whey needs.

NONHYGROSCOPIC:	450 - 500
-----------------	-----------

**OVERVIEW: EASTERN EUROPE:** Milk production patterns in Eastern Europe are slowly increasing, but, as in Western Europe, are reported to be below year ago levels. Stocks of manufactured dairy products are low as stocks were greatly reduced last season and milk producers and handlers were hoping to re-establish workable inventories during the current season. Buyer interest is mixed. Some report increased buyer inquiries due to EU restrictions, while others indicate no significant market activity.

## OCEANIA

**OVERVIEW:** A late season surge in milk production in both Australia and New Zealand is causing annual milk production estimates to be revised. In New Zealand, milk production gains over last season are more in line with 8% higher than previously projected. In Australia, although production is lagging last season, previous projections are being adjusted to be between 3 - 3.5% below last season. In both countries, favorable weather conditions in April are being attributed to the stronger than anticipated finish of the season. Although the current milk production season is just coming to an end, producers and handlers are already looking forward to the upcoming production season which will resume in August. At this point, in many instances, the late surge in milk volumes is much welcomed. Up to this point, most of Oceania manufactured dairy products were reported to be fully committed with minimal volumes available for spot sale. International buyer interest is active. Some buyers remain reluctant to procure European sourced dairy products in the wake of the recent foot and mouth disease, thus they are looking to Oceania sources for possible availability. Often this buyer interest is going unfilled, but with some additional, unexpected milk volumes, Oceania producers and handlers are better able to address some of this buyer interest. Some U.S. importers are also looking to the Oceania region for supplemental butter stocks.

**BUTTER:** Oceania butter markets are steady to firm, although prices are holding basically steady. As has been the case for most of the current milk production season, a significant portion of butter stocks are committed. Although stocks are not excessive, some additional volumes of butter have been sold to U.S. importers. At this point, most of the excess butter stocks have been cleared or will be in the near future.

82% BUTTERFAT:	1,225 - 1,350
----------------	---------------

**CHEDDAR CHEESE:** Oceania cheese markets are steady to firm. Overall demand is stable to strong. Stocks of cheese are fully sufficient to maintain ongoing buyer interest with most stocks fully committed to this need. Oceania producers anticipate to have adequate stocks to meet upcoming winter needs, although with a late season surge in milk output, this will further supplement committed cheese volumes.

39% MAXIMUM MOISTURE:	2,025 - 2,250
-----------------------	---------------

**SKIM MILK POWDER (SMP):** Skim milk powder markets are generally steady at unchanged prices. Stocks of powder are reported to be in close balance with minimal volumes, if any, available for spot buyer interest. A stronger than anticipated finish to the milk production season is providing some late season, unexpected milk volumes. This milk volume is being quickly absorbed in most manufacturing plants with butter/powder operations competing against whole milk powder and cheese production. Additional powder generated at this time will enhance inventories to meet committed volumes with some stocks possibly available for spot sale.

1.25% BUTTERFAT:	2,075 - 2,200
------------------	---------------

**WHOLE MILK POWDER (WMP):** Whole milk powder markets are steady to firm with prices unchanged to slightly higher. Stocks of powder are basically fully committed to regular and ongoing buyers. Additional volumes for spot sale are minimal, although some late season milk volumes might be directed to whole milk powder output to cushion committed volumes.

26% BUTTERFAT:	2,025 - 2,130
----------------	---------------

Exchange rates for selected foreign currencies: MAY 7, 2001

.4039 Dutch Guilder	.4551 German Mark
.1357 French Franc	.4215 New Zealand Dollar
.1088 Mexican Peso	.5181 Australian Dollar
1.4382 British Pound	.0083 Japanese Yen
.2533 Polish Zloty	.8902 Euro

To compare the value of 1 US Dollar to Mexican Pesos: (1/.1088)= 9.1912  
That is 1 US Dollar equals 9.1912 Mexican Pesos.

Source: "Wall Street Journal"



## FEDERAL MILK ORDER CLASS AND COMPONENT PRICES, APRIL

**Component Price Information:** Under the Federal milk order pricing system, the butterfat price for April 2001 is \$1.9483 per pound. Thus, the Class II butterfat price is \$1.9553. The protein and other solids prices for April are \$1.5443 and \$0.1081 per pound, respectively. These component prices set the Class III skim milk price at \$5.43 per cwt. The April Class IV skim milk price is \$7.87, which is derived from the nonfat solids price of \$0.8745 per pound. **Product Price Averages:** The product price averages for April are; butter \$1.7126, nonfat dry milk \$1.0145, cheese \$1.3423, and dry whey \$0.2446.

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT <u>1/ 2/</u>						
FEDERAL MILK ORDER MARKETING AREAS <u>3/</u>	ORDER NUMBER	APRIL 2001				MAY 2001
		CLASS I	CLASS II	CLASS III	CLASS IV	CLASS I
		DOLLARS PER 100 POUNDS				
Northeast (Boston) <u>4/</u>	001	16.69	15.10	12.06	14.41	17.46
Appalachian (Charlotte) <u>5/</u>	005	16.54	15.10	12.06	14.41	17.31
Southeast (Atlanta) <u>6/</u>	007	16.54	15.10	12.06	14.41	17.31
Florida (Tampa) <u>7/</u>	006	17.44	15.10	12.06	14.41	18.21
Mideast (Cleveland) <u>8/</u>	033	15.44	15.10	12.06	14.41	16.21
Upper Midwest (Chicago) <u>9/</u>	030	15.24	15.10	12.06	14.41	16.01
Central (Kansas City) <u>10/</u>	032	15.44	15.10	12.06	14.41	16.21
Southwest (Dallas) <u>11/</u>	126	16.44	15.10	12.06	14.41	17.21
Arizona-Las Vegas (Phoenix) <u>12/</u>	131	15.79	15.10	12.06	14.41	16.56
Western (Salt Lake City) <u>13/</u>	135	15.34	15.10	12.06	14.41	16.11
Pacific Northwest (Seattle) <u>14/</u>	124	15.34	15.10	12.06	14.41	16.11
All-Market Average	---	16.02	15.10	12.06	14.41	16.79

1/ To convert the Class I price per 100 pounds to the Class I price per gallon, divide 11.63—the approximate number of gallons in 100 pounds of milk.

2/ Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table.

3/ Names in parentheses are the major city in the principal pricing point of the market.

4/ Class I prices at other cities are: New York City, minus \$0.10; Philadelphia, minus \$0.20; Baltimore, minus \$0.25; and Washington, DC, minus \$0.25.

5/ Class I prices at other cities are: Knoxville, minus \$0.30 and Louisville, minus \$0.90.

6/ Class I prices at other cities are: New Orleans, plus \$0.50; Memphis, minus \$0.30; Nashville, minus \$0.50; and Springfield, Mo., minus \$0.90.

7/ Class I prices at other cities are: Orlando, same; Miami, plus \$0.30; and Jacksonville, minus \$0.30.

8/ Class I prices at other cities are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20.

9/ Class I prices at other cities are: Milwaukee, minus \$0.05; and Minneapolis, minus \$0.10.

10/ Class I prices at other cities are: Des Moines, minus \$0.20; Omaha, minus \$0.15; Oklahoma City, plus \$0.60; St. Louis, same; and Denver, plus \$0.55.

11/ Class I prices at other cities are: Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75.

12/ Class I price at Las Vegas is minus \$0.35.

13/ Class I price at Boise is minus \$0.30.

14/ Class I prices at other cities are: Portland, same; and Spokane, same.

## MARCH 2001 DAIRY PRODUCTS HIGHLIGHTS

**BUTTER** production was 101.8 million pounds in March, 15.9 percent below March 2000 and 7.6 percent below February 2001. **AMERICAN TYPE CHEESE** production totaled 299.7 million pounds, 4.6 percent below March 2000 but 9.1 percent above February 2001. **TOTAL CHEESE** output (excluding cottage cheese) was 714.0 million pounds, 0.1 percent below March 2000 but 13.0 percent above February 2001. **NONFAT DRY MILK** production, for human food, totaled 136.2 million pounds, 2.3 percent below March 2000 but 2.8 above February 2001. **DRY WHEY** production, for human food, was 94.2 million pounds, 2.3 percent below March 2000 but 10.9 percent above February 2001. **ICE CREAM** (hard) production totaled 76.9 million gallons, 7.4 percent below March 2000 but 14.5 percent above February 2001.

PRODUCTION OF DAIRY PRODUCTS									
PRODUCT	MAR 2001	PERCENT CHANGE FROM:			PRODUCT	MAR 2001	PERCENT CHANGE FROM:		
	1,000 LBS.	MAR 2000	FEB 2001	YEAR TO DATE 1/		1,000 LBS.	MAR 2000	FEB 2001	YEAR TO DATE 1/
BUTTER	101,751	-15.9	-7.6	-12.3	YOGURT (PLAIN AND FLAVORED)	175,141	1.8	12.9	---
CHEESE					CONDENSED WHEY, SOLIDS CONTENT 6/				
AMERICAN TYPES 2/	299,747	-4.6	9.1	-6.4	SWEET -TYPE, HUMAN FOOD	10,077	0.2	10.0	---
CHEDDAR	235,474	-6.9	9.5	-7.4	SWEET -TYPE, ANIMAL FEED	1,200	5.5	-0.8	---
SWISS	20,577	5.8	13.2	---	DRY WHEY PRODUCTS				
BRICK & MUENSTER	8,006	15.0	12.2	---	DRY WHEY, HUMAN FOOD	94,220	-2.3	10.9	---
CREAM & NEUFCHATEL	61,240	0.3	43.2	---	DRY WHEY, ANIMAL FEED	5,424	-25.3	2.0	---
HISPANIC	8,033	-3.7	10.4	C	REDUCED LACTOSE AND MINERALS				
MOZZARELLA	237,329	4.8	10.9	5.6	HUMAN FOOD	6,922	-27.4	4.9	---
OTHER ITALIAN TYPES	61,703	1.4	15.2	-1.4	ANIMAL FEED	3,366	3.7	9.9	---
TOTAL ITALIAN TYPES	299,032	4.1	11.7	4.1	LACTOSE, HUMAN FOOD & ANIMAL FEED	47,137	5.3	11.1	---
ALL OTHER TYPES	17,397	-0.5	20.8	---	WHEY PROTEIN CONCENTRATE				
TOTAL	714,032	-0.1	13.0	-1.2	HUMAN FOOD	24,200	-6.4	8.3	---
COTTAGE CHEESE, CURD 3/	38,370	-7.2	11.4	---	ANIMAL FEED	4,128	1.6	5.7	---
COTTAGE CHEESE, CREAM 4/	32,588	0.1	14.6	0.6					
COTTAGE CHEESE, LOWFAT 5/	32,257	-1.9	12.9	-0.3	FROZEN PRODUCTS	1,000 GALLONS			
CANNED EVAPORATED & CONDENSED					ICE CREAM (HARD)	76,893	-7.4	14.5	-3.7
WHOLE MILK	33,779	-9.7	13.5	---	ICE CREAM, LOWFAT (HARD)	8,481	3.4	29.8	---
DRY WHOLE MILK	2,899	-74.6	-35.8	---	ICE CREAM, LOWFAT (SOFT)	25,269	-2.2	27.7	---
NONFAT DRY MILK, HUMAN FOOD	136,186	-2.3	2.8	-4.9	ICE CREAM, LOWFAT (TOTAL)	33,750	-0.9	28.2	-0.5
DRY SKIM MILK, ANIMAL FEED	270	-35.6	-1.8	---	SHERBET (HARD)	4,552	-3.3	18.7	-2.2
DRY BUTTERMILK	4,703	-7.9	-11.3	---	YOGURT (TOTAL)	7,847	-3.0	22.1	-4.3
MANUFACTURERS' STOCKS, END OF MONTH 7/									
PRODUCT	MAR 2001	PERCENT OF:		PRODUCT	MAR 2001	PERCENT OF:			
	1,000 LBS.	MAR 2000	FEB 2001		1,000 LBS.	MAR 2000	FEB 2001		
DRY WHEY PRODUCTS				WHEY PROTEIN CONCENTRATE					
DRY WHEY, HUMAN FOOD	34,292	-22.2	-2.2	HUMAN FOOD	10,999	-19.4	22.8		
DRY WHEY, ANIMAL FEED	5,460	7.0	-3.4	ANIMAL FEED	1,908	40.2	15.5		
REDUCED LACTOSE & MINERALS—HUMAN & ANIMAL 8/	5,352	-54.0	-14.5	CANNED EVAPORATED & CONDENSED WHOLE MILK	53,453	7.1	23.5		
LACTOSE, HUMAN FOOD & ANIMAL FEED	26,638	2.6	-3.1	DRY WHOLE MILK 2/	----	----	----		
DRY BUTTERMILK, TOTAL	4,546	-32.0	-27.6	NONFAT DRY MILK FOR HUMAN FOOD	123,792	-34.9	-10.1		
				DRY SKIM MILK FOR ANIMAL FEED 2/	----	----	----		

1/ 2001 cumulative as percent change of 2000 cumulative. 2/ Whole milk cheese, including Cheddar, colby, monterey and jack. 3/ Mostly used for processing into cream or lowfat cottage cheese.

4/ Fat content 4 percent or more. 5/ Fat content less than 4 percent. 6/ Final marketable product only. Does not include quantity used or shipped to another plant for further processing into dry whey or modified whey products. 7/ Stocks held by manufacturers at all points and in transit. 8/ Reduced lactose and minerals stocks combined to avoid disclosure of individual operations. 9/ Information for these products was not shown in current report.

SOURCE: "Dairy Products," Da 2-6 (5-01), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

ANNOUNCED COOPERATIVE CLASS I PRICES IN SELECTED CITIES, APRIL 2001, WITH COMPARISONS 1/												
CITY	MAY 1999			MAY 2000			APR 2001			MAY 2001		
	Coop.	Federal Order	Difference	Coop.	Federal Order	Difference	Coop.	Federal Order	Difference	Coop.	Federal Order	Difference
	Dollars Per Hundredweight											
Atlanta, GA	15.85	14.70	1.15	16.16	14.58	1.58	17.62	16.54	1.08	18.28	17.31	0.97
Baltimore, MD	16.35	14.65	1.70	16.03	14.48	1.55	18.19	16.44	1.75	18.96	17.21	1.75
Boston, MA *	15.34	14.86	0.48	15.21	14.73	0.48	17.17	16.69	0.48	17.94	17.46	0.48
Carbondale, IL	15.74	13.63	2.11	15.39	13.68	1.71	17.35	15.64	1.71	18.12	16.41	1.71
Charlotte, NC	15.85	14.70	1.15	16.16	14.58	1.58	17.62	16.54	1.08	18.28	17.31	0.97
Chicago, IL	14.95	13.02	1.93	15.22	13.28	1.94	16.86	15.24	1.62	17.66	16.01	1.65
Cincinnati, OH	15.43	13.73	1.70	15.53	13.68	1.85	17.37	15.64	1.73	18.14	16.41	1.73
Cleveland, OH	15.12	13.62	1.50	15.18	13.48	1.70	17.17	15.44	1.73	17.94	16.21	1.73
Dallas, TX	15.03	14.78	0.25	15.53	14.48	1.05	16.99	16.44	0.55	17.55	17.21	0.34
Denver, CO	16.10	14.35	1.75	14.68	14.03	0.65	16.69	15.99	0.70	17.46	16.76	0.70
Des Moines, IA	14.32	13.17	1.15	14.62	13.28	1.34	16.45	15.24	1.21	17.22	16.01	1.21
Detroit, MI	14.40	13.47	0.93	14.53	13.28	1.25	16.24	15.24	1.00	17.01	16.01	1.00
Hartford, CT *	15.24	14.76	0.48	15.11	14.63	0.48	17.07	16.59	0.48	17.84	17.36	0.48
Houston, TX	15.57	15.32	0.25	16.13	15.08	1.05	17.59	17.04	0.55	18.15	17.81	0.34
Indianapolis, IN	15.17	13.52	1.65	15.33	13.48	1.85	17.17	15.44	1.73	17.94	16.21	1.73
Kansas City, MO	14.59	13.54	1.05	14.88	13.48	1.40	16.40	15.44	0.96	17.17	16.21	0.96
Louisville, KY	14.73	13.73	1.00	14.88	13.68	1.20	16.64	15.64	1.00	17.41	16.41	1.00
Memphis, TN	15.19	14.39	0.80	15.61	14.28	1.33	17.07	16.24	0.83	17.68	17.01	0.67
Miami, FL	18.17	15.80	2.37	18.67	15.78	2.89	20.13	17.74	2.39	20.79	18.51	2.28
Milwaukee, WI	14.86	12.93	1.93	15.17	13.23	1.94	16.96	15.19	1.77	17.76	15.96	1.80
Minneapolis, MN	13.65	12.82	0.83	14.52	13.18	1.34	16.32	15.14	1.18	17.12	15.91	1.21
New Orleans, LA	15.72	15.27	0.45	16.31	15.08	1.23	17.77	17.04	0.73	18.33	17.81	0.52
Oklahoma City, OK	15.89	14.39	1.50	15.38	14.08	1.30	16.84	16.04	0.80	17.61	16.81	0.80
Omaha, NE	14.42	13.37	1.05	14.62	13.33	1.29	16.50	15.29	1.21	17.27	16.06	1.21
Philadelphia, PA	16.38	14.71	1.67	16.20	14.53	1.67	18.36	16.49	1.87	19.13	17.26	1.87
Phoenix, AZ	14.14	14.14	0.00	14.43	13.83	0.60	15.94	15.79	0.15	16.71	16.56	0.15
Pittsburgh, PA	14.12	13.62	0.50	14.98	13.58	1.40	17.74	15.54	2.20	18.51	16.31	2.20
St. Louis, MO	15.74	13.63	2.11	15.19	13.48	1.71	17.15	15.44	1.71	17.92	16.21	1.71
Salt Lake City, UT	13.77	13.52	0.25	13.63	13.38	0.25	15.59	15.34	0.25	16.36	16.11	0.25
Seattle, WA	15.38	13.52	1.86	13.76	13.38	0.38	15.72	15.34	0.38	16.49	16.11	0.38
Spokane, WA	15.38	13.52	1.86	13.76	13.38	0.38	15.72	15.34	0.38	16.49	16.11	0.38
Springfield, MO	15.31	13.81	1.50	14.98	13.68	1.30	16.44	15.64	0.80	17.21	16.41	0.80
Washington, DC	16.35	14.65	1.70	16.03	14.48	1.55	18.19	16.44	1.75	18.96	17.21	1.75
Simple Average	15.28	14.05	1.23	15.27	13.96	1.31	17.06	15.92	1.14	17.80	16.69	1.11

\*NOTE: The Northeast Dairy Compact has established a Class I price level of \$16.94. The Compact obligation is \$16.94 less the Federal order Class I price shown for Boston. The effective Class I price level is the Federal order price at location plus the Compact obligation plus the figure shown under the column labeled "Difference". When the Federal order Class I price shown for Boston is higher than the Compact Class I price, the Compact price is not effective.

1/ Class I prices announced for the beginning of the month by the major cooperative in each city market. These prices may not apply to all of the Class I sales in these city markets. Announced prices may not include handling or service charges applicable to milk from supply plants and competitive credits which may be allowed. These prices have not been verified as having been actually paid by handlers.

CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE WEEK OF MAY 7 - 11, 2001			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES#	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/00	SAME PERIOD LAST YEAR	WEEK ENDING 05/04/01	SAME PERIOD LAST YEAR
<u>BUTTER</u>							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unsalted	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<u>CHEESE</u>							
Block	-0-	-0-	-0-	3,050,083	414,675	-0-	-0-
Barrel	-0-	-0-	-0-	4,025,276	-0-	-0-	-0-
Process	-0-	-0-	-0-	3,999,600	5,148,000	-0-	-0-
TOTAL	-0-	-0-	-0-	11,074,959	5,562,675	-0-	-0-
<u>NONFAT DRY MILK</u>							
Nonfortified	7,559,006	457,960	7,101,046	289,252,548	285,620,171	523,250,000	-0-
Fortified	-0-	-0-	-0-	27,258,654	5,313,347	37,731,000	-0-
TOTAL	7,559,006	457,960	7,101,046	316,511,202	290,933,518	560,981,000	-0-

#Although an uncommitted inventory of NDM has continued to exist for some time, it has not been reported due to CCC's efforts to utilize all NDM purchased under price support.

MILK EQUIVALENT, FAT SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT*	SKIM**		MILKFAT*	SKIM**
	BASIS	SOLIDS		BASIS	SOLIDS
WEEK OF MAY 7 - 11, 2001 =	1.6	82.7	COMPARABLE WEEK IN 2000 =	11.1	168.1
CUMULATIVE SINCE OCTOBER 1, 2000 =	171.9	3,793.9	CUMULATIVE SAME PERIOD LAST YEAR =	115.3	3,441.5
CUMULATIVE JANUARY 1 - MAY 11, 2001 =	55.3	2,311.3	COMPARABLE CALENDAR YEAR 2000 =	104.1	2,848.4

\* Factors used for Fat Solids Basis Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22  
 \*\*Factors used for Skim Solids Basis Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE WEEK OF MAY 7 - 11, 2001 (POUNDS)

REGION	BUTTER			CHEESE			NONFAT DRY MILK	
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
MIDWEST	-0-	-0-	-0-	-0-	-0-	-0-	396,828	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	6,704,218	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/00 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

REGION	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT (%)	
	2000/01	1999/00	2000/01	1999/00	2000/01	1999/00	2000/01	1999/00
MIDWEST	-0-	-0-	5,995,440	5,562,675	3,502,074	31,522,947	32.7	50.5
WEST	-0-	-0-	5,039,919	-0-	313,009,128	256,970,574	67.1	49.0
EAST	-0-	-0-	39,600	-0-	-0-	2,439,997	0.2	0.5
TOTAL	-0-	-0-	11,074,959	5,562,675	316,511,202	290,933,518	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER JANUARY 16, 2001

MANUFACTURING MILK Average Test 3.67% - \$9.90 per cwt.; 3.5% - \$9.80

BUTTER Bulk \$.6549 per pound; 1# Prints \$.6849

CHEESE 40 & 60# Blocks \$1.1314 per pound; 500# Barrels \$1.1014; Process American 5# \$1.1839; Process Am. 2# \$1.2239

NONFAT DRY MILK Nonfortified \$1.0032 per pound; Fortified \$1.0132; Instant \$1.1607

U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 04/21/01 & Comparable Week 2000

Regions* (000 HEAD)	U.S. TOTAL										% DAIRY OF ALL	
	1	2	3	4	5	6	7	8	9	10	WEEK SINCE JAN 1	WEEK SINCE JAN 1
2001-Dairy	0.2	0.6	4.8	5.3	19.1	2.4	1.7	0.9	10.2	2.4	47.7	876.8
2000-Dairy	0.2	0.9	5.6	4.7	19.0	2.4	0.6	0.7	10.2	3.5	47.8	846.6
2001-All cows	0.3	0.8	6.6	15.2	27.9	11.4	17.8	5.5	12.3	5.0	102.6	1,771.1
2000-All cows	0.2	1.1	7.7	13.3	27.4	12.4	13.9	3.2	11.9	6.8	97.9	1,663.1

SOURCE The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

CLASS III (2000) AND BFP (1998-99) MILK PRICES, (3.5% BF, \$/CWT. FOR COMPARISON PURPOSES ONLY)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1998	13.25	13.32	12.81	12.01	10.88	13.10	14.77	14.99	15.10	16.04	16.84	17.34
1999	16.27	10.27	11.62	11.81	11.26	11.42	13.59	15.79	16.26	11.49	9.79	9.63
2000	10.05	9.54	9.54	9.41	9.37	9.46	10.66	10.13	10.76	10.02	8.57	9.37

FEDERAL MILK ORDER CLASS PRICES FOR 2001 (3.5% BF)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	13.99	11.94	12.65	13.44	14.21							
II	12.82	13.43	14.17	15.10								
III	9.99	10.27	11.42	12.06								
IV	12.13	12.70	13.46	14.41								

1/ Specific order differentials to be added to this base price are located at [www.ams.usda.gov/dairy/milb/class\\_prod\\_milk\\_comp\\_pr.htm](http://www.ams.usda.gov/dairy/milb/class_prod_milk_comp_pr.htm)